REVENUE TRENDS - OCTOBER 1997

October state tax collections from all revenue sources amounted to \$262.4 million, a decrease of \$2.9 million or 1.1% when compared with the previous October. With this decrease, cumulative state tax collections for the first four months of fiscal 1997-1998 amounted to \$1,094.8 million, 3.7% behind the amount collected during the same period of the prior fiscal year.

A primary contributor to October's revenue decline was a \$6.8 million increase in corporate income tax refunds. Other October declines included \$3.5 million in employment security contributions and \$1.4 million in public service company taxes, both probably due to month-to-month variation in payment patterns.

Overall revenue decline was mitigated by modest revenue gains in other revenue categories. Among these gains was a \$3.7 million advance in general excise and use tax collections. Despite the October gain, cumulative general excise and use tax collections for the first four months of fiscal 1997-1998 remained \$18.8 million or 3.8% behind the pace set for the same period the previous year.

Transient accommodations tax collections rose \$0.7 million in October, which was enough to push cumulative fiscal 1997-1998 collections from this source \$0.2 million ahead of the pace set for the same period the prior year.

Tobacco tax collections rose from \$3 million in October 1996 to \$4 million in October 1997, reflecting the increase in the tax rate on cigarettes from three cents to four cents per cigarette, which took effect on September 1, 1997.

STATE GENERAL FUND

Tax collections accruing to the state general fund for the month of October totaled \$222.8 million, a decrease of \$0.7 million or 0.3% when compared with the previous October.

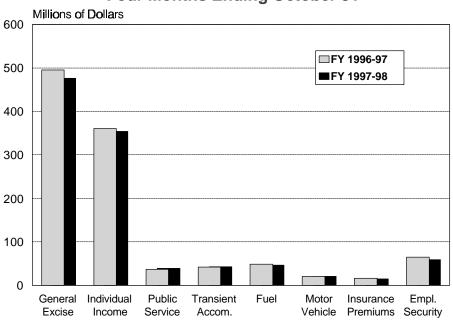
Cumulative general fund accruals for the first four months of fiscal 1998 amounted to \$927.6 million, a decrease of \$34.9 million or 3.6% when compared with the same period the prior year. For the whole fiscal year, the Council on Revenues had projected an increase of 2.8% in general fund revenue.

INTERNET ACCESS

For readers of this report who have access to the Internet, this report as well as our other monthly reports can be found at the Department of Taxation's website at: http://www.hawaii.gov/tax/tax.html

STATE TAX COLLECTIONS

Four Months Ending October 31



Revenue Sources